GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4288
ANSWERED ON:11.08.2017
Draft Bill on Bankruptcy
Fatepara Shri Devajibhai Govindbhai

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has finalised the draft bill on bankruptcy of financial institutions;

(b) if so, the details thereof; and

(c) the time by which it is likely to be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b) The Union Cabinet has approved the proposal to introduce a Financial Resolution and Deposit Insurance Bill, 2017 ("the Bill") on 14.6.2017 for providing a comprehensive resolution framework for specified financial sector entities to deal with bankruptcy situation in banks, insurance companies and financial sector entities. The Bill when enacted will pave the way for setting up of the Resolution Corporation and would lead to repeal or amendment of resolution-related provisions in a number of sectoral Acts listed in Schedules to the Bill. It will also result in the repealing of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 to transfer the deposit insurance powers and responsibilities to the Resolution Corporation. The Resolution Corporation when created would protect the stability and resilience of the financial system; protect the consumers of covered obligations up to a reasonable limit; and protect public funds, to the extent possible.

(c) The Bill is proposed to be introduced in the Lok Sabha in the current monsoon session of the Parliament.

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